

TRANSMITTAL SLIP		DATE
		17 SEP 1987
TO:		
C/NIC		
ROOM NO.	BUILDING	
REMARKS:		
<p>1. VC/FH</p> <p>2. C/NIC</p>		
FROM:		
NIO/ECON		
ROOM NO.	BUILDING	EXTENSION
7E48	HQS	

~~SECRET~~
The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 03909-87
16 September 1987

MEMORANDUM FOR: Acting Director of Central Intelligence

FROM: Maj Gen Frank B. Horton III, USAF
 Chairman

SUBJECT: Community Representation at CFIUS

1. Action: None. This is for your information.
2. Bob Cornell, Deputy Assistant Secretary for Trade and Investment at Treasury, has agreed to notify us of future CFIUS meetings. The attached letter makes formal this agreement with David Mulford because the executive order creating CFIUS in 1975 specifies representation at his level.
3. In the future, we will also keep NSA informed of any proposed acquisitions to be discussed at CFIUS so that Lieutenant General Odom can weigh in if he believes NSA equities are threatened.


Frank B. Horton III

Attachments:

- A. Letter to David C. Mulford
- B. Executive Order 11858
- C. Memo to DDCI dated 13 August 87

CL BY SIGNER
DECL OADR

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SECRET

SUBJECT: Community Representation at CFIUS

NIO/Econ/DHOFFMANN:

16 September

NIC 03909-87

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Original - Addressee (w/atts)

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CONFIDENTIAL
The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC 03791-87
15 September 1987

Mr. David C. Mulford
Assistant Secretary for
International Affairs
Department of the Treasury
Washington, D. C. 20520


Dear Mr. Mulford:

Pursuant to your conversation with Deane Hoffmann, National Intelligence Officer for Economics, I believe it is important that the Intelligence Community be invited to CFIUS (Committee on Foreign Investment in the United States) sessions in order to (a) offer advice to the Committee where appropriate and (b) to protect the equities of the Community on specific proposed acquisitions. Hence, I would like to be informed of the agenda for any proposed meetings so that we might choose whether the Community needs to attend.

Since speaking with you, Deane Hoffmann also has discussed the matter with Bob Cornell and Stephen Canner. They understand our concerns and agree that the Community should be allowed to decide which meetings to attend.

Very respectfully,

NIO/ECON/DEHOFFMANN:


FRANK B. HORTON III
Major General, USAF
Chairman

Distribution:

Orig - Addressee
1 - C/NIC
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Executive Order 11858

May 7, 1975

Foreign Investment in the United States

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By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the Act of February 14, 1903, as amended (15 U.S.C. 1501 et seq.), section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a), and section 301 of title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. (a) There is hereby established the Committee on Foreign Investment in the United States (hereinafter referred to as the Committee). The Committee shall be composed of a representative, whose status is not below that of an Assistant Secretary, designated by each of the following:

- (1) The Secretary of State.
- (2) The Secretary of the Treasury.
- (3) The Secretary of Defense.
- (4) The Secretary of Commerce.
- (5) The United States Trade Representative.
- (6) The Chairman of the Council of Economic Advisors.

The representative of the Secretary of the Treasury shall be the chairman of the Committee. The chairman, as he deems appropriate, may invite representatives of other departments and agencies to participate from time to time in activities of the Committee.

(b) The Committee shall have primary continuing responsibility within the Executive Branch for monitoring the impact of foreign investment in the United States, both direct and portfolio, and for coordinating the implementation of United States policy on such investment. In fulfillment of this responsibility, the Committee shall:

- (1) arrange for the preparation of analyses of trends and significant developments in foreign investments in the United States;
- (2) provide guidance on arrangements with foreign governments for advance consultations on prospective major foreign governmental investments in the United States;
- (3) review investments in the United States which, in the judgment of the Committee, might have major implications for United States national interests; and
- (4) consider proposals for new legislation or regulations relating to foreign investment as may appear necessary.

(c) As the need arises, the Committee shall submit recommendations and analyses to the National Security Council and to the Economic Policy Board. It shall also arrange for the preparation and publication of periodic reports.

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